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FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

Apr 15, 2020

SEAN F. MCAVOY, CLERK

9 UNITED STATES DISTRICT COURT
10 FOR THE EASTERN DISTRICT OF WASHINGTON

11 United States of America,

12 Plaintiff,

2:19-CR-0216-WFN-1

13 v.

Plea Agreement

14 WILLIAM RAY CLONINGER, JR.,

15 Defendant.

16 Plaintiff United States of America, by and through William D. Hyslop,
17 United States Attorney for the Eastern District of Washington; Earl A. Hicks,
18 Assistant United States Attorney for the Eastern District of Washington;
19 Defendant, WILLIAM RAY CLONINGER, JR., and Defendant's counsel, J.
20 Stephen Roberts, Jr., agree to the following Plea Agreement:

- 21 1. Waiver of Physical Presence; Guilty Plea; Maximum Statutory
22 Penalties:

23 The Defendant, WILLIAM RAY CLONINGER, JR., (hereinafter
24 Defendant), by and through this Plea Agreement and pursuant to CARES Act §
25 15002(b)(2), Pub.L. No. 116-136 (H.R. 748) (eff. March 27, 2020), and General
26 Order No. 20-101-3 (E.D.Wa. Mar. 30, 2020), expressly waives his right to be
27 physically present, *see* Fed. R. Crim. P. 43(a), and consents to appear by video
28 teleconferencing and agrees to plead guilty to Count 5 of the Indictment filed on

1 December 18, 2019, charging him with Passing Counterfeit Currency, in violation
2 of 18 U.S.C. § 472, and Count 8 of the Indictment filed on December 18, 2019,
3 charging him with Manufacturing Counterfeit Currency, in violation of 18 U.S.C. §
4 471.

5 Defendant understands that Passing Counterfeit Currency (Count 5) and
6 Manufacturing Counterfeit Currency of the United States (Count 8) are both Class
7 C felonies. Defendant understands the maximum statutory penalties for Passing
8 Counterfeit Currency, in violation of 18 U.S.C. § 472 and Manufacturing
9 Counterfeit Currency of the United States, in violation of 18 U.S.C. § 471, as to
10 each count, are as follows: 1) not more than a twenty (20) year term of
11 imprisonment; 2) a fine not to exceed \$250,000; 3) not more than a three (3) year
12 term of supervised release; 4) restitution; and 5) a \$100 special penalty
13 assessment.

14 The Defendant understands that the Court may impose consecutive
15 sentences based upon his pleas of guilty to these two (2) counts.

16 Defendant understands that if he violates his supervised release conditions,
17 he could be imprisoned for up to two (2) years. *See* 18 U.S.C. § 3583(e)(3).
18 Defendant also understands that he would not receive credit for any time already
19 served on post-release supervision.

20 2. The Court is Not a Party to the Agreement:

21 The Court is not a party to this Plea Agreement and may accept or reject this
22 Plea Agreement. Sentencing is a matter that is solely within the discretion of the
23 Court. Defendant understands that the Court is not obligated to accept the parties'
24 recommendations and that the Court may, in its discretion, impose any sentence,
25 including the statutory maximums set forth above.

26 Defendant acknowledges that no promises of any type have been made to
27 him with respect to the sentence the Court will impose in this matter. Defendant
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1 understands that the Court is required to consider the applicable advisory
2 sentencing guideline range, but may depart or vary upward or downward under the
3 appropriate circumstances after considering the sentencing factors set forth in 18
4 U.S.C. § 3553(a).

5 Defendant also understands that, if the Court does not accept the parties'
6 recommendations, then that decision is not a basis for withdrawing from either this
7 Plea Agreement or this plea of guilty.

8 3. Waiver of Constitutional Rights:

9 Defendant understands that, by entering his pleas of guilty, Defendant is
10 knowingly, and voluntarily waiving certain constitutional rights, including:

- 11 (a). the right to a jury trial;
- 12 (b). the right to see, hear and question the witnesses;
- 13 (c). the right to remain silent at trial;
- 14 (d). the right to testify at trial; and
- 15 (e). the right to compel witnesses to testify.

16 While Defendant is waiving certain constitutional rights, Defendant understands he
17 retains the right to be assisted, through the sentencing and any direct appeal of the
18 conviction and sentence, by an attorney who will be appointed at no cost if
19 Defendant cannot afford to hire an attorney. Defendant also acknowledges that any
20 pretrial motions currently pending before the Court are waived.

1 4. Elements of the Offenses:

2 The United States and Defendant agree that, in order to convict Defendant of
3 Count 5 of the Indictment, filed on December 18, 2019, in case number 2:19-CR-
4 0216-WFN-1, which charges the Defendant with Passing Counterfeit Currency, in
5 violation of 18 U.S.C. § 472, the United States would have to prove beyond a
6 reasonable doubt the following elements:

7 *First*, on or about September 17, 2019, in the Eastern District of
8 Washington, Defendant knowingly passed three (3) falsely made, forged, or
9 counterfeited \$20 Federal Reserve Notes, (FRN) bearing serial number
10 MF09154877K, at Cricket Wireless located at 13817 E. Sprague Ave. #10,
11 Spokane, Valley, WA, 99216 and,

12 *Second*, Defendant acted with intent to defraud.

13 The United States and Defendant agree that, in order to convict Defendant of
14 Count 8 of the Indictment, filed on December 18, 2019, in case number 2:19-CR-
15 0216-WFN-1, which charges the Defendant with Manufacturing Counterfeit
16 Currency, in violation of 18 U.S.C. § 471, the United States would have to prove
17 beyond a reasonable doubt the following elements:

18 *First*, on or about October 16, 2019, in the Eastern District of Washington,
19 Defendant made, forged, or counterfeited currency, to wit; seven (7) \$20
20 counterfeit FRNs, bearing serial number MG43818307D and,

21 *Second*, Defendant acted with intent to defraud.

22 5. Factual Basis and Statement of Facts:

23 The United States and Defendant stipulate and agree that the following facts
24 are accurate; that the United States could prove these facts beyond a reasonable
25 doubt at trial; and these facts constitute an adequate factual basis for Defendant's
26 guilty pleas. This statement of facts does not preclude either party from presenting
27 and arguing, for sentencing purposes, additional facts that are relevant to the
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1 guideline computation or sentencing, unless otherwise prohibited in this Plea
2 Agreement.

3 On June 6, 2019, in an effort to obtain additional information, United States
4 Secret Service (USSS) contacted Home Depot Loss Prevention Officer (LPO)
5 M.H., in reference to the Spokane Resident Office (SRO) receiving counterfeit
6 FRNs through the Spokane Cash Vault from Home Depot store #4714 located at
7 5617 E. Sprague Ave., Spokane Valley, WA 99212. USSS then started an
8 investigation which identified the Defendant as the primary suspect in the passing
9 of \$20 counterfeit FRNs.

10 Count 5:

11 On September 20, 2019, USSS SA Redder responded to Cricket Wireless,
12 located at 13817 E. Sprague Ave. #10, Spokane Valley, WA, 99216, in reference
13 to picking up counterfeit FRNs. Upon his arrival, he met with employee P.W. who
14 provided the following information:

15 On September 17, 2019, a white male (later identified as William Ray
16 Cloninger Jr.), came into the store and added himself to S.L.'s account. Defendant
17 was accompanied by a white female who identified herself as S.L. S.L. authorized
18 the Defendant to be added to her account. The male picked out a cell-phone and
19 paid for the item with three \$20 counterfeit FRNs bearing serial number
20 MF09154877K. The transaction was videotaped. USSS Resident Agent in Charge
21 (RAIC) of the SRO, Gregory Ligouri, reviewed the videotape and was able to
22 identify the Defendant as the person who passed the three \$20 counterfeit FRNs.
23 RAIC Ligouri had previously investigated and arrested the Defendant for
24 Manufacture and Passing Counterfeit Federal Reserve Notes.

25 Count 8:

26 On October 16, 2019, USSS received a call from United States Probation
27 Officer (USPO) Richard Law stating the US Marshals Service had arrested the
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1 Defendant at his trailer on an outstanding federal probation violation warrant.
2 Defendant's trailer was located in the backyard of 3526 E. Courtland Ave,
3 Spokane, WA. USPO Law advised that upon their arrival they knocked on the
4 trailer door and took Defendant into custody. During a search incident to
5 Defendant's arrest they located what they believed to be counterfeit \$20 FRNs in
6 his wallet intermixed with genuine FRNs.

7 RAIC Ligouri and SA Redder, responded to Defendant's residence and
8 confirmed the suspected counterfeit currency located in Defendant's wallet was in
9 fact counterfeit.

10 RAIC Ligouri and SA Redder interviewed Defendant outside his trailer to
11 determine his involvement in manufacturing and passing counterfeit FRNs.
12 Defendant was advised of his Miranda Rights by RAIC Ligouri. Defendant
13 waived his rights and agreed to talk with USSS.

14 When asked, Defendant acknowledged he remembered RAIC Ligouri from
15 his previous federal arrest by the USSS in 2016. Defendant advised he has been
16 manufacturing and passing counterfeit for about one month and passing counterfeit
17 since April or May. When asked who provided the counterfeit FRNs when he was
18 just passing, Defendant had no response. Defendant advised he, was "washing" \$1
19 genuine FRNs and reprinting them with counterfeit \$20 FRNs, as he had done in
20 2016. Defendant admitted he had just printed \$140 worth of counterfeit FRNs five
21 (5) minutes before the US Marshals had showed up to arrest him. Defendant
22 indicated when the US Marshals knocked on his door he thought it was his buddy
23 and invited them in. Defendant stated he mostly passed counterfeit at Home Depot
24 and Lowes because he looked at them as "corporate America" and, that "they rob
25 us every day." Defendant also stated that when he passes counterfeit he intermixes
26 it with genuine notes to conceal the counterfeit.

27 On October 16, 2019, USSS executed a Federal Search Warrant at the
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1 Defendant's residence. During the search USSS seized the following items as
2 evidence, of Defendant's manufacture and passing of counterfeit FRNs:

- 3 1. 7 counterfeit \$20 FRNs bearing serial number
4 MG43818307D
- 5 2. 1 genuine \$20 FRN bearing serial number MG43818307D
6 (Pattern Note)
- 7 3. 1 genuine \$20 FRN bearing serial number IG80689380C
- 8 4. 1 genuine \$20 FRN bearing serial number MK78003066F
- 9 5. 1 genuine \$20 FRN bearing serial number MF12903252A
- 10 6. 1 genuine \$20 FRN bearing serial number MJ42289817A
- 11 7. 1 genuine \$20 FRN bearing serial number MD13130892A
- 12 8. 1 genuine \$10 FRN bearing serial number ML36028487B
- 13 9. 1 counterfeit detection pen
- 14 10. 1 Canon Pixma Scanner/Printer serial number KMCT25146
- 15 11. 1 counterfeit \$20 FRN template bearing serial number
16 MG43818307D, placed inside (on the glass) of Canon
17 Pixma Scanner/Printer serial number KMCT25146
- 18 12. 1 Canon Pixma Scanner/Printer serial number AFKY60443
- 19 13. 1 counterfeit \$100 template bearing serial number
20 MG36544167A, placed inside (on the glass) of Canon
21 Pixma Scanner/Printer serial number AFKY60443
- 22 14. 1 Kodak ESPC310 Scanner/Printer serial number M117776
- 23 15. 1 Canon Pixma Scanner/Printer KLYE49824
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1 6. The United States Agrees:

2 a) Dismissal:

3 The Defendant understands and agrees that the United States will move to
4 dismiss with prejudice Counts 1-4 and 6-7 of the Indictment, filed on December
5 18, 2019, in case number 2:19-CR-0216-WFN-1, after Defendant has been
6 sentenced by the Court.

7 b) Not to File Additional Charges:

8 The United States Attorney's Office for the Eastern District of Washington,
9 agrees not to bring any additional charges against Defendant based upon
10 information in its possession, at the time of this Plea Agreement and arising out of
11 Defendant's conduct involving illegal activity charged in this Indictment, unless
12 Defendant breaches this Plea Agreement, any time before sentencing.

13 7. United States Sentencing Guideline Calculations:

14 Defendant understands and acknowledges that the United States Sentencing
15 Guidelines (hereinafter "USSG") are applicable to this case, and that the Court will
16 determine Defendant's applicable advisory sentencing guideline range at
17 sentencing.

18 a) Base Offense Level:

19 The United States and Defendant agree that the base offense level for
20 Passing and Manufacturing Counterfeit Currency is 9. *See* USSG § 2B5.1(a).

21 b) Specific Offense Characteristics:

22 The United States and Defendant agree that only the following specific
23 offense characteristics under the Guidelines apply:

- 24 i. USSG §2B5.1(b)(2)(A) adds 2 (two) levels because the
25 Defendant manufactured counterfeit currency.
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1 ii. USSG §2B5.1(b)(2)(B)(ii) adds 2 (two) levels because
2 the counterfeit currency was made from genuine United
3 States currency paper which had the ink removed.

4 iii. USSG §2B5.1(b)(3) applies and raises the offense level
5 to 15.

6 c) Acceptance of Responsibility:

7 If Defendant pleads guilty and demonstrates a recognition and an affirmative
8 acceptance of personal responsibility, for the criminal conduct; provides complete
9 and accurate information during the sentencing process; does not commit any
10 obstructive conduct; accepts this Plea Agreement no later than the next scheduled
11 pre-trial conference, and enters a plea of guilty as soon thereafter, as it may be
12 placed on the court's docket, the United States will recommend that Defendant
13 receive a two (2) level reduction for acceptance of responsibility. *See* USSG
14 §3E1.1(a).

15 Defendant and the United States agree that the United States may, at its
16 option and upon written notice to Defendant, not recommend a two (2) level
17 downward reduction for acceptance of responsibility if, before sentencing,
18 Defendant is charged or convicted of any criminal offense whatsoever, or if
19 Defendant tests positive for any controlled substance.

20 Therefore, the United States and Defendant agree that Defendant's final
21 adjusted offense level is 13.

22 d) Criminal History:

23 The United States and Defendant have made no agreement and make no
24 representations as to the criminal history category, which will be determined by the
25 Court, after the Presentence Investigative Report is completed.

1 8. Departures and Variances:

2 Defendant may request a downward departure or variance from the
3 sentencing guidelines. The United States reserves the right to oppose such a
4 request.

5 9. Incarceration:

6 The United States agrees to recommend that the Court impose a sentence
7 within the applicable advisory sentencing guideline range as determined by the
8 Court. The United States will also recommend a sentence of seven months
9 imprisonment to run consecutively to the term of imprisonment imposed under this
10 case for the Defendant violating his supervised release under case number 2:16 CR
11 0131-WFN-1. Defendant is free to recommend any sentence he deems
12 appropriate.

13 10. Criminal Fine:

14 The United States and Defendant are free to make whatever
15 recommendation concerning the imposition of a criminal fine they believe is
16 appropriate.

17 11. Supervised Release:

18 The United States and Defendant agree to recommend that the Court impose
19 a three (3)-year term of supervised release.

20 12. Restitution:

21 Defendant agrees to pay restitution of approximately \$540.00. The amount
22 of restitution will be determined by the Court at sentencing. USSS seized \$110.00
23 in genuine United States currency from the Defendant on October 16, 2019. This
24 money shall be used to pay restitution to the victims of his counterfeiting crimes.
25 This does not include 1 genuine \$20 FRN bearing serial number MG43818307D
26 which was used as a pattern note in the manufacture of counterfeit currency.

1 The United States and Defendant hereby stipulate and agree that, pursuant to
2 18 U.S.C. §§ 3663, 3663A and 3664, the Court should order Defendant to pay
3 restitution the amount of \$540.00, plus interest, which represents the total amount
4 of loss attributable to Defendant.

5 Defendant agrees fully to disclose all assets in which Defendant has any
6 interest or over which Defendant exercises control, directly or indirectly, including
7 those held by a spouse, nominee, or third party. Defendant understands and agrees
8 that the United States may enforce collection of any fine or restitution imposed in
9 this case pursuant to 18 U.S.C. §§ 3572, 3613 and 3664(m), notwithstanding any
10 initial or subsequently modified payment schedule set by the Court. Defendant
11 understands that any monetary debt Defendant owes related to this matter may be
12 included in the Treasury Offset Program (“TOP”) to potentially offset Defendant’s
13 federal retirement benefits, tax refunds, and other federal benefits. Defendant
14 expressly authorizes the United States Attorney’s Office to obtain a credit report
15 on Defendant. Defendant agrees to provide waivers, consents or releases requested
16 by the United States Attorney’s Office to access records to verify the financial
17 information.

18 Defendant agrees to notify the Financial Litigation Unit of the United States
19 Attorney’s Office before Defendant transfers any interest in property with a value
20 exceeding \$1,000 owned directly or indirectly, individually or jointly, by
21 Defendant, including any interest held or owned under any name, including trusts,
22 partnerships and corporations. Further, pursuant to 18 U.S.C. § 3664(k),
23 Defendant shall notify the court and the United States Attorney’s Office
24 immediately of any material change in Defendant’s economic circumstances that
25 might affect Defendant’s ability to pay restitution, including, but not limited to,
26 new or changed employment, increases in income, inheritances, monetary gifts or
27 any other acquisition of assets or money.

1 Pursuant to 18 U.S.C. § 3612(b)(1)(F) Defendant understands and agrees
2 that until a fine or restitution order is paid in full, Defendant must notify the United
3 States Attorney's Office of any change in the mailing address or residence address
4 within 30 days of the change.

5 13. Judicial Forfeiture

6 The Defendant agrees to voluntarily forfeit and relinquish any and all right,
7 title and interest he has in the following identified assets to the United States:

- 8 1. A Canon Pixma Printer, serial number: KMCT25146;
- 9 2. A Canon Pixma printer, serial number: AFKY60443;
- 10 3. A Kodak printer, serial number: M117776;
- 11 4. A Canon Pixma printer, serial number: KLYE49824;
- 12 5. Power cables;
- 13 6. A Counterfeit Detection Pen; and
- 14 7. One (1) Genuine \$20 (Pattern Note) S/N: MG43818307D.

15
16
17 The Defendant acknowledges that the asset(s) included in this agreement are
18 subject to forfeiture as property representing proceeds or property that was used or
19 intended to be used, to commit or to facilitate the commission of Passing
20 Counterfeit Currency and/or Manufacture of Counterfeit Currency offenses, and
21 are therefore forfeitable to the United States pursuant to 18 U.S.C. § 982 or 18
22 U.S.C. § 492, and 28 U.S.C. § 2461.

23 The Defendant agrees to hold all law enforcement agents and the United
24 States, its agents, and its employees harmless from any claims whatsoever arising
25 in connection with the seizure, abandonment, or forfeiture of any asset covered by
26 this agreement.
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1 The Defendant further agrees to waive all constitutional and statutory
2 challenges in any manner (including direct appeal, habeas corpus, or any other
3 means) to any forfeiture carried out in accordance with this Plea Agreement on any
4 grounds, including that the forfeiture constitutes an excessive fine or punishment.
5 Defendant knowingly and voluntarily waives his right to a jury trial on the
6 forfeiture of the asset(s). Defendant waives oral pronouncement of forfeiture at the
7 time of sentencing, and any defects that may pertain to the forfeiture.

8 The Defendant waives further notice of any federal, state or local
9 proceedings involving the forfeiture of the asset(s) the Defendant is agreeing to
10 forfeit in this Plea Agreement.

11 14. Mandatory Special Penalty Assessment:

12 Defendant agrees to pay the \$200 mandatory special penalty assessment to
13 the Clerk of the Court at the time of sentencing. *See* 18 U.S.C. § 3013.

14 15. Payments If Incarcerated:

15 If a sentence of custody is imposed and Defendant lacks the financial
16 resources to pay the monetary obligations imposed by the Court, then Defendant
17 agrees to earn the money to pay toward these obligations by participating in the
18 Bureau of Prisons' Inmate Financial Responsibility Program.

19 16. Additional Violations of Law Can Void Plea Agreement:

20 Defendant and the United States agree that the United States may, at its
21 option and upon written notice to Defendant, withdraw from this Plea Agreement
22 or modify its recommendation for sentence if, before sentence is imposed,
23 Defendant is charged or convicted of any criminal offense whatsoever, or if
24 Defendant tests positive for any controlled substance.

25 17. Appeal Rights:

26 Defendant understands that he has a limited right to appeal or challenge the
27 conviction and sentence imposed by the Court. Defendant hereby reserves the
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1 right to appeal the following: 1) a sentence above the high end of the advisory
2 guideline range as determined by the Court plus a seven (7) month term of
3 imprisonment for violating his term of supervised release; 2) any imposition of
4 restitution order in excess of \$1000; and 3) any specific offense characteristics not
5 specifically agreed to in this Plea Agreement. All other direct appeal rights are
6 waived. Defendant, further, expressly waives his right to file any post-conviction
7 motion attacking his conviction and sentence, including a motion pursuant to 28
8 U.S.C. § 2255, except one based upon ineffective assistance of counsel based on
9 information not now known by Defendant and which, in the exercise of due
10 diligence, could not be known by Defendant by the time the Court imposes the
11 sentence.

12 Nothing in this Plea Agreement shall preclude the United States from
13 opposing any motion for reduction of sentence or other attack of the conviction or
14 sentence, including but not limited to proceedings pursuant to 28 U.S.C. § 2255
15 (Writ of Habeas Corpus). Should this conviction be set aside, reversed, or vacated,
16 this Plea Agreement is null and void and the United States may institute or
17 re-institute any charges against the Defendant (including charges dismissed with
18 prejudice).

19 18. Integration Clause:

20 The United States and Defendant, acknowledge that this document
21 constitutes the entire Plea Agreement between the United States and Defendant,
22 and no other promises, agreements, or conditions exist between the United States
23 and Defendant. This Plea Agreement is binding only on the United States
24 Attorney's Office for the Eastern District of Washington, and therefore cannot bind
25 other federal, state or local authorities. The United States and Defendant agree that
26 this agreement cannot be modified except in a writing that is signed by the United
27 States and Defendant.
28

Approvals and Signatures

Agreed and submitted on behalf of the United States Attorney's Office for
the Eastern District of Washington.

William D. Hyslop
United States Attorney

Earl A. Hicks

Earl A. Hicks
Assistant U.S. Attorney

April 14, 2020

Date

I have read this Plea Agreement, have carefully reviewed, and discussed,
every part of the agreement with my attorney. I understand and voluntarily enter
into this Plea Agreement. Furthermore, I have consulted with my attorney about
my rights, I understand those rights, and I am satisfied with the representation of
my attorney in this case. No other promises or inducements have been made to
me, other than those contained in this Plea Agreement and no one has threatened or
forced me in any way to enter into this Plea Agreement. I am agreeing to plead
guilty because I am guilty.

/s/ William R. Cloninger, Jr.

April 14, 2020

WILLIAM RAY CLONINGER, JR.
Defendant

Date

I have read the Plea Agreement and have discussed the contents of the
agreement with my client.

The Plea Agreement accurately and completely sets forth the entirety of the
agreement between the parties.

I concur in my client's decision to plead guilty as set forth in the Plea
Agreement.

1 There is no legal reason why the Court should not accept Defendant's plea of
2 guilty.

3 /s/ J. Stephen Roberts, Jr.

April 14, 2020

4 _____
5 J. Stephen Roberts, Jr.
6 Attorney for Defendant

_____ Date

7 I certify I have reviewed this document (Plea Agreement) with the defendant and
8 he has consented to my signature on his behalf.

9 Printed Attorney Name: J. Stephen Roberts Jr.

Attorney Signature: /s/ J. Stephen Roberts, Jr.

Date: April 14, 2020